IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

:

NATIONAL HEALTHCARE SERVICES, INC. ,: CIVIL ACTION

Plaintiff, : NO.: 02-CV-3600

PENN TREATY AMERICA CORPORATION, :

v.

et al.,

Defendants.

MOTION OF DEFENDANTS TO DISMISS COUNTS ONE AND THREE OF THE COMPLAINT

Defendants, by their undersigned counsel and pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure, hereby move to dismiss with prejudice Counts One and Three of the Complaint in this action. In support of this motion, defendants rely upon the accompanying memorandum of law.

Geoffrey A. Kahn Douglas L. Flitter Ballard Spahr Andrews & Ingersoll, LLP 1735 Market Street Philadelphia, PA 19103 (215) 665-8500

Attorneys for Defendants

Dated: July 29, 2002